Automotive News

roit, November 3, 1980

© Entire contents copyright, 1980, by Crain Automotive Group, Inc. All rights reserved.
Reproduction or use of editorial content in any manner without permission is strictly prohibited.
56th year—$35 per year, $1.00 per copy

Finally, all Detroit's Big Three are in the fray with both feet

Small-car big guns poised for battle

By Richard A. Wright
Assistant Managing Editor

Ford Motor Co. and Chrysler orp. are pinning high hopes on heir new Escort/Lynx and K-car es. ries. But they are playing a diffi- ult game of catchup with General Motors.

Early sales of both cars have been strong. The K-cars in particular seem to be just what Chrysler Corp. needed to get back into the sales race and the Escort/Lynx gives Ford a small car with good mileage figures, something it has been lacking.

GM has had the biggest - selling subcompact in the Chevette and has been all alone in the compact front-drive field with its X-bodies.

Now Chrysler Corp. has a front-drive compact to augment its subcompact front - drive Omni/Horizon and Ford has a strong entry in the subcompact arena to replace its sagging and aging Pinto.

But the catching up may be temporary. GM will introduce its next generation of front - drive cars, the subcompact J-cars, next May. These cars will replace the sporty subcompact Chevrolet Monza and Pontiac Firebird and will give Cadillac its first entry into the small-car market. Chevrolet will call its entry the Cavalier and Pontiac the J-2000. Cadillac's first subcompact will be the Cimarron.

Buick and Oldsmobile will get versions of the J car in mid-1982 and Pontiac will introduce a new mid - engine fiberglass - body sports car in 1983.

• While GM is frosting its small-car cake, Ford and Chrysler are playing a more serious game called "Survival." Ford's only entry in the hot subcompact market has been the Pinto (and its companion Mercury Bobcat). The Pinto was introduced 10 years ago and has suffered perhaps more than its share of the slings and arrows of this existence.

With the Escort and Lynx, however, Ford has a state - of - the - art subcompact to go against imports, Omni - Horizon and, mainly, Chevette.

Much of how well the new Ford and Chrysler small cars do, of course, depends on the economy as a whole. They were introduced at a time when new - car sales are low, joblessness is high and the nation is at some stage of a recession.

But on the basis of the cars themselves, the outlook seems positive, particularly for the K-cars.

When Detroit first got into the small-car business with introduction of the compacts in the 1960 model lineup — they don't look so small any more—one astute observer predicted that the Ford Falcon would be the most successful because it looked the most like an American car.

The Chevrolet Corvair had the most interesting technology — aluminum-block air-cooled rear engine — which later got it into trouble, but also made it an effective seller against imports and something of a cult car.

The Plymouth Valiant was perhaps one of Chrysler's better efforts and time proved its six-cylinder engine reliable and durable. But its styling was unusual and this probably limited its sales appeal.

The Falcon, however, looked like and in fact was simply a little Ford. It had simple, functional styling in the tradition of another great Ford model, the 1949 series, and it was an immediate sales success.

Using that theorum, Chrysler's K-cars should make it. They look more like American cars than either Ford's or GM's. The Omni/Horizon did well for a while, but it could be that their very definite European styling limited their appeal.

GM's X-bodies were the hottest cars on the market until the slump got under way. Their styling is clearly American, but more influenced by European design than the K-cars'.

The Escort/Lynx, under this reasoning, could run into some difficulties because they have a somewhat Japanese look to them. Obviously, the Japanese cars are doing very well, but it puts Escort/Lynx in a tough ballgame.

• Does this theory hold up? When the Vega and Pinto were introduced, the very American-looking Pinto was an immediate sales success, while the Vega 2300, with a slightly European look (and even name) was not. It is true the car had other problems which finally killed it, but it never was the big seller Chevrolet anticipated.

The Mustang had no European influence, it looked like an all-American sports car and it was an instant and continuing success.

Even going back to the '50s, the Corvette looked like a real European sports car, while the first Thunderbird was clearly an American car with no foreign influence even though a two-seater.

In later years, these cars grew apart as the T-Bird became a four-seater and continued on its personal-luxury course, while the Corvette became one of the world's leading sports cars. But in those early years, Corvette appealed to the sports-car crowd, while the Thunderbird was widely admired as a beautiful car. And the old two-seater Thunderbird outsold Corvette by an enormous margin.

It appears likely that Ford's Escort/Lynx, Chrysler's K - cars and GM's upcoming J-cars will all be successful. But unless the rules of the marketing game have changed too much, past form indicates the K-cars will be the biggest success.

Styling still sells.

Ford Escort and sister car Mercury Lynx give Ford subcompact strength.

Chrysler pins hopes on K-car, shown here in Dodge Aires wagon form.

Pontiac J-2000, one of three J-cars GM will unveil in spring of 1981.

NEWSPAPER
AN JAN81
DC20014CNGLIAO 0E 01254 920013
ACQ EDITOR
CONGRESSIONAL INFO SERV
7101 WISCONSIN AVE
WASHINGTON DC 20014

Automotive News

Detroit, November 3, 1980

© Entire contents copyright, 1980, by Crain Automotive Group, Inc. All rights reserved.
Reproduction or use of editorial content in any manner without permission is strictly prohibited.

56th year—$35 per year, $1.00 per copy

Restyled Rabbit

Bigger engines for U. S.-built VW

The 1981 Volkswagen Rabbit was given new front-end styling and a different interior to give it a more American look. Engines were also increased in size. The 1.6-liter gasoline engine was boosted to 1.7 liters and the diesel was increased from 1.5 to 1.6 liters.

'80 V-8 output cut in half; sixes lead, but fours gain

By Joseph Bohn
Marketing Editor

The domestic car industry continued to shift dramatically away from V-8 engines in the '80 model year toward 6 and 4-cylinder powerplants.

Volume and penetration of the V-8s dropped in half, while the six-cylinder engine temporarily emerged as the most popular powerplant.

That is changing, however, as new and higher-volume four-cylinder cars like Escort and Lynx and Aries and Reliant—not to mention next spring's GM J-cars — promise to establish four-cylinder engines as the leader among '81 domestic models.

As it was, four-cylinder engines ran a close second behind six-cylinder powerplants last year.

Diesels continued increasing in popularity. But GM's decision to gamble on large V-8 diesels, like the 350 V-8, slowed what could have been a real diesel explosion.

Volkswagen, in contrast to GM, equipped half of its '80 Rabbits with the highly fuel efficient, highly popular four-cylinder diesel powerplant.

Turbochargers continued gaining ground at GM, but fell flat at Ford Motor where they ran into certification problems. Ford canceled them on early '81 models, but was hopeful of offering them later in the model year after clearing up emissions problems.

• Here is a rundown on '80-model engine demand:

Industrywide, V-8s accounted for 2,121,560 cars, equal to 29.69 percent of production. That was less than half the '79 total of 5,457,038, or 58.39 percent of production.

American Motors didn't offer any V-8 engine cars. In '79, AMC had installed the V-8 in 9,538 cars, equal to 5.63 percent of its production.

Chrysler Corp. installed V-8s in 169,412 cars, equal to 22.14 percent of production. That was down from 444,228, or 39.11 percent in '79.

Ford Motor installed V-8s in 479,142 cars, equal to 34.88 percent of its production. That was down from 1,414,959, or 51.40 percent, in '79.

General Motors equipped 1,473,006 cars, or 32.12 percent of its production, with V-8s. That was off from 3,588,313, or 69.62 percent, in '79.

Volkswagen doesn't offer a V-8 engine, and didn't in '79.

Six-cylinder engines accounted for 37.13 percent of domestic car production in '80, up from 24.01 percent in '79. A total of 2,652,644 U. S.-built models carried them, up from 2,243,736 in '79.

General Motors installed six-cylinder powerplants in 1,790,428 U. S.-built cars, equal to 39.05 percent of its production. That was up from 996,560, or 19.33 percent in '79.

Ford Motor installed the en-

Continued on Page 54, Col. 1

Chrysler pays full tab to floor most models

By Joseph Bohn
Marketing Editor

Chrysler Corp. has launched a new floor-plan assistance program in which it pays the full shot on eligible vehicles for 45 days' or 115 days' floor-plan time.

Chrysler's program is fully factory funded unlike earlier General Motors and Ford programs which pass part of the costs on to dealers and consumers.

Under Chrysler's program, a dealer can elect to receive 30 days' free floor-planning on eligible vehicles invoiced during November. That is in addition to the normal 15 free days and in-transit time. Or, he can elect to receive 75 days' extra free floor-planning on eligible vehicles.

A dealer qualifies for the 30 days by submitting his November allocations by Nov. 7. He gets the extra 75 days by submitting November/December allocation orders by Nov. 19.

(Chrysler normally has a little flexibility in these cutoff dates).

Eligible units are all cars and trucks, except the K-cars, Imperial and imports. The dealer must still order the latter lines as part of his overall allocation to qualify, but they don't get covered with extra free time.

Vehicles must be invoiced in November, for example, to quality for the 30 days' extra floor-planning, or invoiced in November/December to qualify for the extra 75 days.

For its purposes, Chrysler is waiting 15 days after invoice date to begin ticking off the time. Thus, if a vehicle were invoiced Nov. 1, for example, it would be covered by free factory floor-planning from Nov. 16 through mid-December.

A dealer whose vehicles were invoiced in late December and who qualified for 75 days' floor-planning time could be covered on his eligible vehicles all the way through March (75 days plus the normal 15 days).

Chrysler came up with the program to encourage orders during the current uncertain market and to protect dealers against relatively high interest rates.

breaking news

Datsun picks Tennessee for truck plant

DETROIT. — Datsun has chosen Smyrna, Tenn., as the site of its U. S. truck plant. Smyrna is 20 miles southeast of Nashville. The $300 million facility will be Nissan's largest investment outside Japan. Production of Datsun pickup trucks is scheduled to begin at Smyrna late in 1983 at an estimated rate of 120,000 vehicles a year. Construction is slated to begin early in 1981. The plant will be on an 850-acre site, will employ about 2,200 and have an estimated annual payroll of $40 million. The company had narrowed its site selection to Tennessee and Georgia before choosing Tennessee.

EPA orders recall of 140,000 VWs

WASHINGTON. — The EPA has ordered the recall of 140,000 1977 Volkswagen Rabbits and Sciroccos for failure to meet the 1977 NOx standard. EPA says the exhaust gas recirculation system on the cars appears to be the cause of the problem. California versions of the cars are not included.

'79 auto trade deficit with Japan is $6.4 billion

WASHINGTON. — The International Trade Commission reported that the U. S. auto trade deficit with Japan widened to $6.4 billion in 1979 from $6.3 billion in 1978 although the overall trade deficit in autos declined to $10.2 billion from $10.5 billion in 1978. After Japan, Canada was the largest auto exporter to the U. S. with $3.9 billion, and West Germany was third with $3.2 billion. Japanese cars accounted for 53.8 percent of the autos imported in 1979; West Germany for 16.5 percent.

CARP caught in net of congressional concerns, and GM sees too many hooks

Government-industry auto research plan runs into trouble

By Helen Kahn
Washington Bureau Chief

WASHINGTON. — The Carter Administration's Cooperative Automotive Research Program — rather unfortunately known as CARP—is floundering.

It has been caught in a net of congressional concerns and General Motors' reluctance — GM will probably approve it but may add caveats. CARP even awaits election results.

It all started with former Transportation Secretary Brock Adams telling Detroit to "reinvent the car" —a catch phrase that boomeranged almost immediately. In the rush to smooth over the differences, the White House decided to start its very own model of the new look of brotherly love.

Washington Analysis

Instead of the companies digging in to "reinvent," the White House Office of Science and Technology Policy, working mostly wth the Research and Special Projects Administration of DOT, concocted a much more palatable program of basic research.

This was the first step taken by the Carter Administration to work with the auto industry instead of—in the eyes of industry—against it. In fact, the May, 1979, meeting at the White House with auto company officials was friendly and hopeful.

It was to be a 10-year program of as much as $800 million to come from windfall profits of the oil companies, starting slowly and then building up, using the best brains and dealing only with the purest science and letting the auto companies pick their fields and doing all the development work.

Since those days when the auto industry's problems were only becoming apparent but were not yet catastrophic, the Carter Administration has taken more and bigger steps—the successful push for loan guarantees for Chrysler, the massive auto industry study now underway, the tripartite auto committee (whose first meeting will come after the election), the proposals for next year for refundable tax credits and accelerated write-offs, depreciation reform, and some current easing of regulations mostly in the air pollution field.

Even the case for import restraint is under consideration—not at the behest of the Carter Administration but at Ford's and the UAW's—just in case the International Trade Commission finds imports are the substantial cause of injury.

• CARP not only survived the departure of Adams (and the man who is said to have created the "reinvent the car" phrase) but thrived.

In February, 1979, scores of scientists (including company men) assembled in Boston to hammer out a rough agenda. Visits were made to universities and private laboratories to gather expertise. In general, the auto companies cooperated, whether because they were genuinely enthusiastic or merely because they wanted other concessions from the Administration and were merely going along to get ahead is not totally clear.

But the White House OSTP got heavily involved in negotiations. When the companies raised antitrust questions about their cooperating considering the "smog conspiracy" consent decree they still operate under, the Justice Department and the Federal Trade Commission rendered their views saying essentially that "basic" research was fine.

When the companies wondered whether DOT is appropriate for the job as lead agency, an

Continued on Page 50, Col. 1

Six is most popular engine, but fours are gaining

U.S. makers cut V-8 output in half

Continued from Page 1

gines in 416,907 cars, equal to 30.35 percent of production. That was down volumewise from 722,390 in '79—but up from the 26.24 percent penetration of a year earlier.

Chrysler Corp.'s six-cylinder-engine installations climbed to 295,208, or 38.57 percent, of output. Again, volume was off from 387,497, but penetration increased from 34.11 percent in '79.

American Motors installed six-cylinder powerplants in 150,101 cars equal to 75.86 percent of production. That was up from 137,289 in '79, but penetration slipped from 81.02 percent.

Volkswagen offers only four cylinder engines.

The number of four-cylinder powerplants on domestic cars jumped to 2,371,152, or 33.18 percent of production, up from 1,644,731, or 17.60 percent in '79.

All 223,267 VW Rabbits built in the U. S. carried this powerplant, an increase over 132,821 in '79.

American Motors installed four-cylinder engines in 47,766 domestic cars, equal to 24.14 percent of production. That was up from 22,612, or 13.35 percent in '79.

Chrysler installed 300,633 four-cylinder engines in its Omni and Horizon models, equal to 39.29 percent of its domestic production. That compared to 304,240 units, or 26.78 percent of production, in '79.

Ford Motor installed the small engines in 477,533 cars, equal to 34.77 percent of production. That was down from 615,629 in '79, mainly because of declining Pinto/Bobcat sales. But penetration was up from 22.36 percent.

General Motors installed the 4-cylinder in 1,321,953 cars, or 28.83 percent of production. That was up sharply from 569,429, or 11.05 percent, in '79.

• Diesels continued to catch on, accounting for 316,377 domestic models, or 4.43 percent of production. That was up sharply from 203,338, or 2.18 percent in '79.

General Motors' diesel engine car production totaled 196,661, equal to 4.29 percent of its production. That was down from 203,338 in '79, but penetration was up from 3.95 percent.

The decline in volume is partly attributable to a slowdown in GM's big-car sales, particularly at Cadillac, but also due to the company's decision to build V-8, rather than four-cylinder or six-cylinder diesels. GM already has plans to discontinue the 350 V-8 diesel in two years; it will be replaced by a new family of V-6 diesels in 1982-83.

VW diesel Rabbit production by contrast jumped to 109,401, or 49.00 percent of its production. A year earlier VW hadn't yet started building diesel Rabbits in the U. S.

Turbochargers have been slower to catch on, mainly because of emission certification problems at Ford. Last year, Ford planned to offer them on Mustang, Capri, Fairmont and Zephyr—but ran into production problems which thwarted their sales.

Industrywide, GM installed turbos on 50,371 cars, equal to 1.10 percent of its production. That was up from 36,938, or 0.72 percent, in '79.

At Ford Motor, turbos ended up in 18,901 cars, equal to 1.38 percent of production. That was down from 38,832, or 1.41 percent, in '79.

ENGINE OPTIONS ON 1980 U. S. MODELS

	Diesels All Sizes	Percent of Output	Turbo Charger	Percent of Output	V-8 Engine	Percent of Output	6-Cylinder Engine	Percent of Output	4-Cylinder Engine	Percent of Output
AMERICAN MOTORS	N.A.	—	N.A.	—	N.A.	—	150,101	75.86	47,766	24.14
Eagle	N.A.	—	N.A.	—	N.A.	—	46,379	100.00	N.A.	—
Concord	N.A.	—	N.A.	—	N.A.	—	70,479	87.60	9,977	12.40
Spirit	N.A.	—	N.A.	—	N.A.	—	33,243	46.80	37,789	53.20
CHRYSLER CORP.	N.A.	—	N.A.	—	169,412	22.14	295,208	38.57	300,633	39.29
C-P Division	N.A.	—	N.A.	—	113,643	25.13	176,061	38.94	162,478	35.93
Horizon	N.A.	—	N.A.	—	N.A.	—	N.A.	—	162,478	100.00
Volare	N.A.	—	N.A.	—	10,757	9.80	99,016	90.20	N.A.	—
'80 Gran Fury	N.A.	—	N.A.	—	17,376	92.80	1,348	7.20	N.A.	—
Cordoba	N.A.	—	N.A.	—	33,913	59.00	23,566	41.00	N.A.	—
Chrysler	N.A.	—	N.A.	—	26,377	90.60	2,737	9.40	N.A.	—
LeBaron	N.A.	—	N.A.	—	25,220	33.80	49,394	66.20	N.A.	—
Dodge Total	N.A.	—	N.A.	—	55,769	17.81	119,197	38.06	138,155	44.13
Omni	N.A.	—	N.A.	—	N.A.	—	N.A.	—	138,155	100.00
St. Regis	N.A.	—	N.A.	—	15,583	91.30	1,485	8.70	N.A.	—
Diplomat	N.A.	—	N.A.	—	10,992	28.80	27,174	71.20	N.A.	—
Aspen	N.A.	—	N.A.	—	10,342	12.10	75,126	87.90	N.A.	—
Mirada	N.A.	—	N.A.	—	18,852	55.10	15,362	44.90	N.A.	—
FORD MOTOR	N.A.	—	18,901	1.38	479,142	34.88	416,907	30.35	477,533	34.77
Ford Division	N.A.	—	13,211	1.34	285,427	29.09	316,966	32.31	378,705	38.60
Pinto	N.A.	—	N.A.	—	N.A.	—	N.A.	—	124,720	100.00
Mustang/Mustang II	N.A.	—	11,950	5.00	7,325	2.70	80,583	29.70	183,414	67.60
Fairmont	N.A.	—	1,261	0.44	9,847	4.20	154,036	65.70	70,571	30.10
Granada	N.A.	—	N.A.	—	14,197	15.70	76,232	84.30	N.A.	—
Thunderbird	N.A.	—	N.A.	—	150,688	96.10	6,115	3.90	N.A.	—
Ford	N.A.	—	N.A.	—	103,370	100.00	N.A.	—	N.A.	—
L-M Division	N.A.	—	5,690	1.45	193,715	49.36	99,941	25.46	98,828	25.18
Bobcat	N.A.	—	N.A.	—	N.A.	—	N.A.	—	24,650	100.00
Capri	N.A.	—	5,138	7.60	2,080	2.60	23,275	29.10	54,629	68.30
Zephyr	N.A.	—	552	0.79	2,943	4.20	47,576	67.90	19,540	27.90
Monarch	N.A.	—	N.A.	—	4,852	15.90	25,666	84.10	N.A.	—
Cougar/XR7	N.A.	—	N.A.	—	54,604	94.10	3,424	5.90	N.A.	—
Mercury	N.A.	—	N.A.	—	54,328	100.00	N.A.	—	N.A.	—
Lincoln	N.A.	—	N.A.	—	31,233	100.00	N.A.	—	N.A.	—
Versailles	N.A.	—	N.A.	—	4,784	100.00	N.A.	—	N.A.	—
Mark VI	N.A.	—	N.A.	—	38,891	100.00	N.A.	—	N.A.	—
GENERAL MOTORS	196,661	4.29	50,371	1.10	1,473,006	32.12	1,790,428	39.05	1,321,953	28.83
Buick Division	15,143	1.89	15,230	1.90	214,274	26.78	494,581	61.81	91,311	11.41
Skyhawk	N.A.	—	N.A.	—	N.A.	—	1,523	18.30	6,799	81.70
Skylark	N.A.	—	N.A.	—	N.A.	—	127,297	60.10	84,512	39.90
Century	N.A.	—	890	0.60	17,960	12.10	130,469	87.90	N.A.	—
Regal	N.A.	—	5,798	2.70	35,431	16.50	179,304	83.50	N.A.	—
Buick	15,143	9.00	1,346	0.80	119,458	71.00	48,792	29.00	N.A.	—
Riviera	N.A.	—	7,196	14.80	41,425	85.20	7,196	14.80	N.A.	—
Cadillac Division	45,650	19.76	N.A.	—	227,053	98.28	3,975	1.72	N.A.	—
Seville	14,461	36.80	N.A.	—	39,344	100.00	N.A.	—	N.A.	—
Cadillac	18,765	13.50	N.A.	—	135,024	97.14	3,975	2.86	N.A.	—
Eldorado	12,424	23.60	N.A.	—	52,685	100.00	N.A.	—	N.A.	—
Chevrolet Division	10,810	0.53	11,719	0.58	345,513	17.04	724,676	35.73	957,917	47.23
Chevette	N.A.	—	N.A.	—	N.A.	—	N.A.	—	451,549	100.00
Monza	N.A.	—	N.A.	—	N.A.	—	43,962	25.90	125,775	74.10
Camaro	N.A.	—	N.A.	—	N.A.	—	51,079	33.60	100,942	66.40
Citation	N.A.	—	N.A.	—	N.A.	—	344,569	55.20	279,651	44.80
Malibu/Chevelle	N.A.	—	N.A.	—	86,326	31.10	191,249	68.90	N.A.	—
Monte Carlo	N.A.	—	11,719	9.30	63,129	50.10	62,877	49.90	N.A.	—
Chevrolet	10,810	5.80	N.A.	—	155,444	83.40	30,940	16.60	N.A.	—
Corvette	N.A.	—	N.A.	—	40,614	100.00	N.A.	—	N.A.	—
Oldsmobile Division	117,788	13.90	N.A.	—	493,123	58.19	292,154	45.47	52,214	7.34
Starfire	N.A.	—	N.A.	—	N.A.	—	4,588	55.70	3,649	44.30
Omega	N.A.	—	N.A.	—	N.A.	—	75,758	56.40	58,565	43.60
Cutlass	39,685	9.40	N.A.	—	224,599	53.20	197,580	46.80	N.A.	—
Oldsmobile	65,332	27.30	N.A.	—	226,387	94.60	12,925	5.40	N.A.	—
Toronado	12,771	29.40	N.A.	—	42,137	97.00	1,303	3.00	N.A.	—
Pontiac Division	7,270	1.07	23,422	3.45	193,043	28.45	275,042	40.53	210,511	31.02
Sunbird	N.A.	—	N.A.	—	N.A.	—	23,506	16.43	119,564	83.57
Phoenix	N.A.	—	N.A.	—	N.A.	—	87,344	48.99	90,947	51.01
Firebird	N.A.	—	23,422	21.82	77,092	71.82	30,248	28.18	N.A.	—
LeMans	N.A.	—	N.A.	—	16,898	27.60	44,325	72.40	N.A.	—
Grand Prix	N.A.	—	N.A.	—	40,389	35.21	74,325	64.79	N.A.	—
Pontiac	7,270	9.83	N.A.	—	58,664	79.32	15,294	20.68	N.A.	—
VOLKSWAGEN	109,401	49.00	N.A.	—	N.A.	—	N.A.	—	223,267	100.00
Total Cars, U. S.	306,062	4.28	69,272	0.97	2,121,560	29.69	2,652,644	37.13	2,371,152	33.18

NOTE: Installation numbers are based on U. S. car production only, with the exception of Chrysler's Cordoba and Mirada which were sourced in Canada only. The '80 production was 7,145,356. This included 4,585,387 for General Motors; 1,373,582 for Ford Motor; 765,253 for Chrysler Corp.; 197,867 for American Motors and 223,267 for Volkswagen.

The Chrysler total includes 34,214 Miradas and 57,479 Cordobas. It excludes 7,846 Caravelles, sourced in the U. S. but sold only in Canada.

Similarly, the GM total excludes 19,651 Acadians, sourced in the U. S. but sold only in Canada.

The Plymouth Voyager, Dodge Sportsman, Ford Club Wagon and Chevrolet Sportvan are no longer included in domestic production, since manufacturers began counting them as trucks in '80.

$200,000 UAW ad campaign promotes U.S. cars, jobs

Continued from Page 2

unemployed auto workers. That is my explicit concern."

The radio ads, which offer both the country-western and disco beats, will be aired in markets like Detroit, where union membership is strong, and in areas like San Francisco and Washington where import buyers are concentrated, Fraser said.

The ads emphasize the need for solidarity between the American buyers and workers and say "When people stand together solidly they're strong. That's why each and every one of us belong to a union that will share a future that is fair. We're all working people trying to get along."

The recurring theme in the four spots is "We make it better in the U.S.A." with several union members talking about quality and pride in American cars. The ad declares "We're the UAW people who care about the jobs we do in shops and plants and offices from New York to L.A."

The print ads also take a punch at the imports blaming them and their buyers for the unemployment in the auto industry. One says "If you think U. S. trade policy is working ask someone who isn't . . . Bill lost his job recently because someone somewhere in the U. S. bought a foreign car. Each time that happens a worker like Bill is laid off."

A second ad gives the score: "It's 27 to 1 and America is losing," it declares. "Twenty-seven countries that produce cars insure their workers' jobs through fair trade. One doesn't (the U.S.)."

The third ad says: "7 out of 10 Americans agree: Paying for imports with our jobs is a price we can't afford."

According to a UAW spokesman, much of the work was done in-house. With Gens, Vallely & Associates, Boston, doing the print buying and Waggener & Associates, Kansas City, doing the radio buying.

$567 million loss by GM in 3rd quarter its biggest

Continued from Page 2

fidence, the index of leading indicators, and virtually all the principal indicators of current economic performance are recovering from their recession lows."

Reflecting the massive outlays for new products, including the J-car which will replace H-special models in the spring, GM listed third-quarter depreciation at $370.3 million compared with $320.8 million last year. The nine-month total was $1.074 billion compared with $918 million in 1979.

Amortization of special tools was $545.9 million in the July-September period compared with $452 million last year. The nine-month total was $2.0 billion compared with $1.3 billion.

Working capital at Sept. 30 was $3.974 billion compared with $6.688 billion at Dec. 31, 1979, and $7.459 billion Sept. 30, 1979.

Worldwide factory sales of cars and trucks in the third quarter fell 19 percent to 1,418,000. For the first nine months of the year, factory sales were off 24 percent to 5,223,000.

Average worldwide employment in the third quarter was 691,000 compared with 813,000 last year, although the two GM executives said some 38,000 workers had recently been recalled from indefinite layoff.

Average U. S. hourly wage cost, including benefits, in the July-September period was $18.00 compared with $14.95 last year.

Dealers to hear Smith at Los Angeles meeting

LOS ANGELES. — Roger B. Smith, General Motors executive vice president and chairman-elect, will be the speaker at the annual meeting of the Motor Car Dealers Assn. of Southern California Dec. 4 at the Century Plaza Hotel.

Smith's topic will be "Issues the Auto Industry faces in the '80s," with emphasis on the role of the franchise system.